

**SECTION  
I**

## INTRODUCTION

This is the first edition of the Health Care Safety Net Administration (HCSNA) Annual Report to the community. The report contains nine sections. Each section builds on the next and provides an overview of the events during the first year of operation of the HCSNA.

Over the past decade, a major goal for the DC Department of Health and other city leadership has been to remove the barriers to accessing primary and preventive healthcare for the uninsured residents of the District of Columbia. In the last few years, there have been a series of efforts that have laid the foundation for the plans and efforts now underway to transform the public healthcare delivery system.

Section I of the Annual Report will present the foundation for the development of the HCSNA and the relevant concepts and methodologies contained therein.

### Socioeconomic Characteristics

It is important to understand the demographics of the contract and the issues that relate to improving health outcomes for District residents.

#### Race, Ethnicity, and Age

There are currently 572,059 people living in the District of Columbia.<sup>1</sup> The majority of them, 60 percent (343,312) are African American, 30 percent (176,101) are White, 2.8 percent (15,537) Asian or Pacific Islander, and 3.8 percent (21,950) are “some other races.”

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<sup>1</sup> US Census, 2000

### Economic Status<sup>2</sup>

Over 20 percent (114,000 people) of DC’s population, which includes almost one-third of the District’s 35,350 children aged between 0 and 18, live below the poverty level according to an analysis of the 2000 Census published by the DC Agenda.

1. As of December 1999, there were approximately 50,400 adults aged 18-64 in the District of Columbia who had no health insurance.<sup>3</sup> In addition, there were approximately 89,000 adults aged 18-64 who had no health insurance at some point during 1999. These estimates provide a useful benchmark to gauge the impact of transitions in the safety net.
2. Approximately 60 percent of uninsured adults in December 1999 or 30,000 adults, had annual household income levels that were below 200 percent of the Federal Poverty Level. These adults would have probably qualified for Medicaid or the DC Healthcare Alliance program. This number falls within the number of people who have applied for the DC Healthcare Alliance membership.
3. Approximately one-quarter of the current uninsured adult population had annual household income levels ranging between 200 and 400 percent of the Federal Poverty Level. These adults do not qualify for Medicaid or the DC Healthcare Alliance program.

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<sup>2</sup> DC Agenda, 2000 Census Numbers Reveal Higher Poverty Numbers in the District by Ward and Neighborhood Cluster, a DC Agenda Neighborhood Information Services Research Mark Rubin, October 2002.

<sup>3</sup> Health Insurance Status in the District of Columbia, Nicole Lurie, M.D., M.S.P.H.; Michael Stoto Ph.D. RAND October 22, 2002

## Health Reform Initiative

In October 1999, Mayor Anthony Williams, together with Council Chair Linda Cropp and Human Services Committee Chair Sandra Allen, convened the Health Care System Development Commission to recommend strategies to transform the District's healthcare delivery system. In June 2000, the Council approved the Commission's recommendations, which included increasing access to healthcare services. The Commission's work became the basis for the Mayor's overall plan to restructure the healthcare delivery system and his FY 2002 budget proposal.

HCSNA was created on April 21, 2001, and represents the cornerstone of the DC Health Services Reform (HSR) Initiative. The Health Care Privatization Act of 2001 laid the foundation for the mandated functions of HCSNA and its oversight of the DC Health Care Alliance. The Alliance is a public-private partnership between Greater Southeast Community Hospital Corporation (GSCHC), the prime contractor, and the DC Department of Health, the contracting agency. As the prime contractor for this new healthcare delivery system, GSCHC has subcontracted with five other providers to partner in this effort: Chartered Health Plan, Unity Health Care, Children's National Medical Center, The George Washington University Hospital, and Providence Hospital. Chartered Health Plan, which serves as the administrative agency for the Alliance and also contracts with other medical providers to serve DC's population.

The Mayoral Order establishing the Health Services Reform Commission was issued on May 16, 2001. The Commission's primary function was to monitor the transition, implementation, and operation of the Health Services Reform Initiative, as well as serve as a collaborative and advisory body for the HCSNA. The Commission also provided guidance to the Mayor and the

Chief Health Officer of the District of Columbia on the progress and emerging challenges as the District's healthcare delivery system reformed.

In the past decade, several large urban health centers have changed to other privatized programs for supporting and managing care for the uninsured. While the previous forms of public and private alliances have been structured somewhat differently than the DCHCA, the intent to shift medical care from an emergency room setting to community health centers is a common feature that is shared by these public-private partnerships and the DCHCA. Lessons learned from these health centers, as well as knowledge gleaned from many years of serving the uninsured population in the District of Columbia, have guided the strategy and planning efforts for the oversight provided by HCSNA.

The creation of the DC Healthcare Alliance established new concepts and methodologies for the provision of healthcare that now forms the core of the healthcare delivery system for uninsured residents of the District of Columbia. The challenge of creating an organization that would increase access, assure quality, and improve health outcomes resulted in a:

1. New service delivery structure that uses a patient-centered care model as a guiding principle for care
2. New program that now provides services only to DC residents
3. New and expanded array of service delivery sites that includes 6 network hospitals, 28 neighborhood clinics, and 781 primary care providers and specialists
4. New and extensive network of hospitals and emergency services that coordinates services with each member's medical home and their Primary Care Provider (PCP) for continued focus on primary care and disease prevention

5. System for data collection and reporting that provides information regarding the disease status, treatment plan, cost of treatment, and utilization of health services provided through the Alliance.

We are excited about HCSNA's achievements in our first year of operation. As we move into the second year, we have built a team of dedicated health professionals that will strive to improve and oversee this new healthcare delivery system.